



## INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

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<b>(21) International Application Number:</b> PCT/US98/21306 <b>(22) International Filing Date:</b> 08 October 1998 (08.10.1998) <b>(60) Parent Application or Grant</b> MASSEY, Michele [/]; (). TENG, Wai, Chong [/]; (). HOPE, Alan [/]; (). MASSEY, Michele [/]; (). TENG, Wai, Chong [/]; (). HOPE, Alan [/]; (). RODDAN, Sharon ; ().		<b>Published</b>
<b>(54) Title: A GLOBAL VALUE EXCHANGE SYSTEM AND METHOD</b> <b>(54) Titre: SYSTÈME ET PROCÉDE D'ÉCHANGE GLOBAL DE VALEURS</b>  <b>(57) Abstract</b> <p>A value exchange system (160) and corresponding method bridges for-profit and not-for profit organizations by providing cause related marketing. An infomediary processing company (value exchange company (160) (VX)) provides for manufacturers (172), distributors and providers of goods and services (130) to offer purchase discounts to consumer members (176) of membership-based organizations who purchase the goods or services at participating retail establishments (130). The value exchange company (160) allows the consumer member of the membership organization to direct all or a portion of the purchase discount amount in the form of a donation to his or her charity. The Global CouponCard TM<sub>1</sub> (132) may function in numerous combinations as an electronic coupon card, a scrip card, a debit card, or a credit card.</p> <b>(57) Abrégé</b> <p>Système (160) d'échange de valeurs et procédé correspondant qui établit un pont entre des organisations à but lucratif et des organisations à but non lucratif en fournissant du marketing associé à une cause. Une société de traitement d'informations relatives aux profils des consommateurs (société d'échange de valeurs (160) (VX)) permet aux fabricants (172), distributeurs et fournisseurs de biens et de services (130) d'offrir des escomptes sur achat à des membres consommateurs (176) d'organisations fondées sur un groupe de membres, qui achètent les biens et services à des établissements (130) de vente au détail participants. La société (160) d'échange de valeurs permet au membre consommateur de l'organisation fondée sur un groupe de membres de faire don de tout ou partie de la valeur de l'escompte réalisé sur l'achat à l'organisation de charité de son choix. La Global CouponCardTM<sub>1</sub> (132) peut fonctionner dans diverses combinaisons en tant que carte coupon électronique, carte jeton de salaire, carte de débit ou carte de crédit.</p>		

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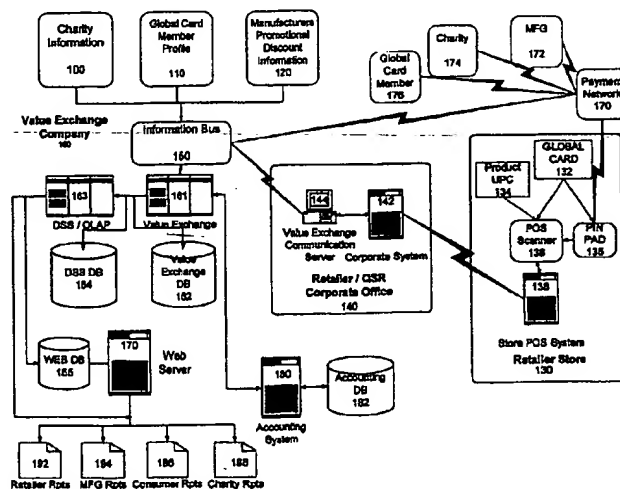
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(21) International Application Number: <b>PCT/US98/21306</b> (22) International Filing Date: <b>8 October 1998 (08.10.98)</b> (71)(72) Applicants and Inventors: <b>MASSEY, Michele [US/US]; 24 Deerwood East, Irvine, CA 92604 (US). TENG, Wai, Chong [MY/US]; Suite 100, 8 Thomas, Irvine, CA 92618 (US). HOPE, Alan [US/US]; 15621 Saul Court, Santa Clarita, CA 91351 (US).</b> (74) Agent: <b>RODDAN, Sharon; The Law Offices of Dr. S.H. Roddan, 228 Monarch Bay, Monarch Beach, CA 92629-3435 (US).</b>		(81) Designated States: <b>AL, AM, AT, AU, AZ, BA, BB, BG, BR, BY, CA, CH, CN, CU, CZ, DE, DK, EE, ES, FI, GB, GE, GH, GM, HR, HU, ID, IL, IS, JP, KE, KG, KP, KR, KZ, LC, LK, LR, LS, LT, LU, LV, MD, MG, MK, MN, MW, MX, NO, NZ, PL, PT, RO, RU, SD, SE, SG, SI, SK, SL, TJ, TM, TR, TT, UA, UG, US, UZ, VN, YU, ZW, ARIPO patent (GH, GM, KE, LS, MW, SD, SZ, UG, ZW), Eurasian patent (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), European patent (AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, GW, ML, MR, NE, SN, TD, TG).</b>  <b>Published</b> <i>With international search report.</i>

(54) Title: **A GLOBAL VALUE EXCHANGE SYSTEM AND METHOD**



(57) Abstract

A value exchange system (160) and corresponding method bridges for-profit and not-for profit organizations by providing cause related marketing. An intermediary processing company (value exchange company (160) (VX)) provides for manufacturers (172), distributors and providers of goods and services (130) to offer purchase discounts to consumer members (176) of membership-based organizations who purchase the goods or services at participating retail establishments (130). The value exchange company (160) allows the consumer member of the membership organization to direct all or a portion of the purchase discount amount in the form of a donation to his or her charity. The Global CouponCard <sup>TM</sup> (132) may function in numerous combinations as an electronic coupon card, a scrip card, a debit card, or a credit card.

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**Description**

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A GLOBAL VALUE EXCHANGE SYSTEM AND METHOD

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FIELD OF THE INVENTION

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The present invention relates to a global value exchange system and method for use. More particularly, it relates to utilizing a computerized system in conjunction with an encoded card wherein all or a portion of the redeemed value of a manufacturers' or retailers' discount is electronically transferred to the participating card members' designated charitable organization through an automatic funds transfer means. This value exchange invention provides timely, accurate, paperless information flow between the manufacturing line and the checkout counter with minimum degradation and interruption both within and between trading partners. This one-count processing facilitates increased efficiency of coupon promotions while at the same time provides a gift to the cardmember's charity of choice. In addition, the invention provides extensive data analysis (reporting process) through on-line information tools. This invention's database technology provides superior quality of promotional processing.

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BACKGROUND AND DESCRIPTION OF PRIOR ART

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For many years, manufacturers and retailers adopted the advertising and promotional strategy of using cents-off coupons. These familiar coupons are distributed to consumers through newspapers, direct mailings and other similar means. This strategy enjoyed steady growth for many years. It helped manufacturers gain better acceptance of new products and maintained loyalty of consumers to existing products. In 1996, about 268.5 billion coupons were issued, of which 5.3 billion coupons were redeemed. Although this figure represents a redemption rate of only 1.97%, the value of the coupons redeemed was over \$3.6 billion.

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Since 1992, however, there has been a decline in coupon usage. Inconvenience is the key reason consumers cite for the decline. The consumer must review the coupons, select the ones desired, manually cut out the selected coupons, and sort the coupons to be redeemed. In the final step, the consumer must present the coupon or coupons for redemption at the retail store. Thereafter, retailers must incur additional labor costs to collect, consolidate, report and send the redeemed coupons to the respective manufacturers for the redemption rebates. Furthermore, manufacturers must incur labor costs and time to validate the coupons to insure the accuracy and value and make payments to retailers. In today's electronic society, this strategy is outmoded, expensive and very inefficient. This antiquated approach also misses the most important component – that is relevant consumer information. So the larger problem becomes the need to employ computer technology to monitor consumer purchases and reward shoppers as a means to influence behavior targeted to individual members of large groups of consumers. Until this invention, the problem has remained unsolved.

Today, manufacturers and retailers are investing resources in information technology. Electronic systems such as, point of sale, store management, inventory management, merchandising and financial accounting systems provide competitive advantages including lower costs and expediency. Despite investing tremendous amounts of resources in information technology, manufacturers and retailers have not been able to optimize their investments. This is due to the fact that, once again, the missing component is relevant consumer information.

Infomediaries are defined as businesses that develop detailed consumer profiles for use by selected third-party vendors. The infomediary companies have attempted to find a solution for this missing component. Retailers, for example, are issuing loyalty cards not only to enhance customer loyalty, but also to capture consumer information. But this, too, is limited, as most Infomediaries are vendor oriented. In other words, they

5 focus on serving the needs of manufacturers and retailers only. Once again, the missing  
component is relevant consumer information based upon meaningful population  
10 experiences.

In a separate, yet very much related problem, charitable organizations need a  
5 means to capture donations through an automatic funds transfer. The inventor of this  
patent realized that charitable organizations (such as, for example, churches) and/or  
15 membership-based organizations (such as, for example, credit unions) have large  
numbers of consumer members forming their constituency. However, few attempts have  
20 been made to address this problem for charitable or membership-based organizations. No  
attempts have been made to tap into utilizing these group members as a purchasing  
10 power base. Certainly, no attempts have done so by linking for-profit organizations with  
25 not-for-profit organizations.

By developing a means to associate with the members of the organization for the  
benefit of the charity, it becomes possible to uniquely address the needs of all entities (the  
30 retailer, the manufacturer, the consumer and the charity). Until the novel invention  
15 disclosed in this patent, none of the prior art attempts have developed a successful way of  
bringing together value added services, information exchange and funds transfer for the  
35 benefit of manufacturers, retailers, consumers, and charities, alike.

Patent 5,621,640, issued to Burke in 1997 sets forth an automatic donation system  
20 wherein a consumer exceeds the price of a purchase at the cash register and the  
overpayment is then directed to a denominated organization. While this patent attempts  
40 to encourage contributions, there is no incentive to direct purchasing patterns.  
Furthermore, this patent requires an affirmative act on the part of a consumer. That is, the  
45 consumer must cognitively overpay his or her bill, and then denominate what percentage  
25 of the overpayment is to be contributed to the charitable organization. The Burke patent  
requires additional out-of-pocket payments by the consumer to practice the invention.  
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Clearly, this is not a system that provides a seamless transaction between for-profit and a not-for-profit organizations.

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Another patent, Patent 5,471,669, issued to Lidman in 1995 discloses an invention wherein existing coupon redemption procedures are utilized to establish a savings  
5 account for educational purposes. Again, this patent is deficient over the present invention in that it does nothing to encourage a union between for-profit manufacturers and donative giving to charities by consumers. According to the invention as set forth in the Lidman patent, a purchaser opens an account for educational saving purposes and is  
15 issued a card or cards identifying that as a savings account. When the consumer purchases a product using traditional paper coupons, the account identification card is read and the coupon information is translated to a bank communication system. The  
20 store is required at that point to transfer the funds from the store's account to the purchaser's educational savings account. There is no charitable component to this invention. There is no means for directing large groups of purchasers to purchase a  
25 particular product or patronize a particular retail establishment. Nor is there any Global CouponCard™ component that could function as a coupon card, scrip card, debit card or credit card.

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35 Patent 5,056,019 issued to Schultz, et al in 1991 describes an invention that resides in a marketing program for rewarding specific purchase behavior and increasing  
40 consumer brand loyalty for manufacturers who participate in the program. In this invention, manufacturers are solicited to provide incentive rewards for purchases. Furthermore, a consumer identification means is set forth in this patent as well as a program management computer system that identifies the computer purchase information  
45 and provides a periodic summary of such activity. However, this patent too, is deficient in that it provides no bridge between for-profit and not-for-profit organizations. The invention  
50 provides no means for directing large groups of purchasers to purchase a particular

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product or patronize a particular retail establishment. In addition, invention fails to address the subject of charitable contributions.

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Patent 5,380,991 by Valencia is very limited in its description of a paperless coupon redemption system and method. Like the others, this invention fails to the address the subject of charitable giving. Furthermore, the Valencia patent cannot track consumer behavior or report market trends in large populations since there is no link to membership-based organizations.

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The present invention addresses these needs by detailing a system and method wherein an infomediary (a processing company, referred to throughout this patent as the value exchange company) provides a valuable service and exchange of information and funds between the manufacturer, the retailer and the consumer for the benefit of a denominated charity. It does so by utilizing one-count processing to facilitate increased efficiency of coupon promotions. The value exchange company is consumer-based and affinity-driven. It facilitates charitable donations by providing value-added services for all entities within the goods and services distribution chain. It helps the consumer member of membership-based organizations decide what to buy, where to buy, and when to buy a particular product or service.

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In solving the long-standing need of the above set forth problems, this invention provides a consumer-oriented infomediary. Furthermore, this novel invention involves five groups of participants or entities; (1) a value exchange (VX), processing company (infomediary), (2) a charitable or membership-based organization denominating a charity, (3) consumer members of a membership-based organization, (4) manufacturers, and (5) retailers.

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SUMMARY OF THE INVENTION

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It is the objective of the present invention to provide a unique system of value exchange among consumer members of membership-based organizations, charitable organizations, manufacturers, retailers and a value exchange company. It overcomes the foregoing deficiencies in the existing marketing and coupon redemption programs. It bridges for-profit and not-for-profit organizations facilitating cause-related marketing.

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An important aspect of the invention includes facilitating transactions through the use of electronic marketing. Electronic marketing is defined as the use of in-store marketing tools (such as, for example, logo identification on products, "shelf talkers", etc.) that employ computer technology to monitor consumer purchase behavior and reward shoppers as a means to influence behavior.

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The novel invention discloses a system wherein a value exchange company provides a unique card program for members of membership-based and/or charitable organizations. A value exchange company will issue computer readable cards known throughout this patent as a Global CouponCard™ (The name of the card is for identification purposes only and is not construed to be a limitation of the patent in any sense.) The card will be issued to members of charitable organizations or membership-based organizations seeking to support a charity. Typically the card will be issued in some form of a membership acquisition program. Each encoded card will be electronically linked to participating major manufacturer coupon promotions, offers and discounts such as the type that are otherwise generally available in paper form to the public through mailings and local newspaper advertisements. Furthermore, the Global CouponCard™ eliminates the need for a physical coupon and the additional costs to all persons and entities associated therewith. It creates a coupon-less system for making retail purchases that are subject to the participating manufacturers' special member promotions or coupon promotions.

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When the consumer member presents his or her Global CouponCard™ at participating retail outlets, participating manufacturers, distributors, sponsors and/or providers of goods and services will issue purchase discounts at the point of sale (POS) to the cardholder. The Global CouponCard™ directs the system to contribute the pre-determined amount (from zero to 100 percent) of the purchase discount to the member's chosen charity in the form of a tax-deductible donation.

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The value exchange company will electronically track the card members' usage and will establish separate accounts to enable each card member to receive the various coupon benefits being offered under the program.

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As an example, not to be inferred in any way to be limiting in scope, if a member elects, two-thirds (2/3s) of the face coupon benefit will be directly credited to the card member at the time of the retail purchase and will immediately reduce the purchase price at the point of sale (POS). The remaining one-third (1/3), as in this example, of the coupon benefit (the rebate) will not be credited to the card holder at the point of sale (POS) by the retail merchant, but will be accounted for by the retail merchant and the value exchange company. The rebate will be electronically tracked through the merchant's computerized tracking system or point of sale (POS) system. The rebate is the sum that will be subject to the charitable deduction. The rebate under the program may from time to time change, thereby increasing or decreasing the available charitable deduction. However, the concept of how the program works will remain the same.

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The card member will have on file with the value exchange company an assignment or pledge in the form of an election to either (1) have the manufacturer's rebate obligation and all rebate proceeds pledged, assigned and delivered to an organization qualified to receive tax deductible charitable contributions under Internal Revenue Code section 170(c) ("charitable organization"), that will thereafter be payable to the charitable organization on a periodic basis, or (2) paid directly to the card member,

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less reduction for applicable administration and transaction costs charged by the value exchange company to account for and issue checks.

The value exchange company will negotiate agreements with product manufacturers who issue advertising and promotional coupons for their products, to electronically link those promotional coupons to the Global CouponCard™ resulting in a coupon-less or paper-less coupon. Participating retailers will be able to track Global CouponCard™ usage through their point of sale (POS) computer system. A card member may also present a printed manufacturer's printed coupon in accordance with the terms.

The features and benefits of the invention vary with each of the five entities:

1. For the member, it is the objective of the invention to provide a convenient and efficient way to save money, track spending, provide charitable donations and to receive detailed reports of these activities via the Internet or in periodic printouts for tax purposes. Consumers obtain the benefits of receiving discounts on their purchases without the need to undergo the painstaking process of acquiring, sorting and presenting coupons for redemption. In addition, the member group purchasing power means better pricing and improved quality of goods and services. Furthermore, members holding the Global CouponCard™ now have market power to influence corporations so that the beliefs and values the members support are aligned with the business agenda.

2. For charities, the system provides a means for cost-effective, efficient and practical fund raising. The charity gains incremental revenue streams to support the programs of the charitable organizations' worthy causes. The system provides a means to give a gift to a denominated charity through an automatic fund transfer.

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3. For the manufacturer, the invention provides a means to gain brand preference, maintain customer loyalty, promote consumer goodwill and receive detailed reports. The system provides consumer driven promotions without surrendering control, gaining flexibility, and maintaining positive trade relationships. The data captured allows manufacturers to anticipate and forecast consumer demands including changing tastes in the marketplace and preferences. Furthermore, it provides a means for proactive corporate decisions concerning public policies that support the values and aspirations of the member groups.
4. For retailers, it attracts new customers, maintains existing customer loyalty and generates reports of member purchase transactions for targeted promotions.
5. Both manufacturers and retailers gain incremental sales revenues, better stock turns and inventory information, valuable supply-chain efficiencies, and eliminate the need to incur substantial costs related to coupon redemption processing. It provides one-count processing and facilitates increased efficiency of coupon promotions. Furthermore, it provides timely, accurate, paperless information flow between the manufacturing line and the checkout counter with minimum degradation and interruption within and between trading partners. The invention will assist in the elimination of fraudulent transactions in relation to coupon redemption.
6. For the value exchange company, the invention tracks, manages, sorts and reports customized relevant data to each entity. The Global CouponCard™ functions as a powerful marketing promotional tool. It may function as a coupon card, scrip card, debit card and/or credit card. The invention provides extensive data analysis (reporting processing) through on-line information tools. This invention's database technology provides superior quality of

5 promotional processing. The system provides a seamless transfer of funds  
from and to identified accounts.

10 With these and other objectives, the advantages and features of the invention will  
become apparent. The invention may be more clearly understood by reference to the  
5 following detailed description of the invention, the claims, and the drawings attached  
15 hereto.

#### BRIEF DESCRIPTION OF THE DRAWINGS

20 FIG. 1 is a diagram depicting the value exchange information flow of this invention.

10 FIG. 2, consisting of 2 pages, is a block diagram providing an overview of the  
value exchange process.

25 FIG. 3, consisting of 2 pages, is a block diagram depicting the consumer Global  
CouponCard™ acquisition component expanded from FIG 2, Block 210.

30 FIG. 4 is a block diagram depicting the manufacturer discount and processing  
15 component expanded from FIG. 2, Block 200.

35 FIG. 5, consisting of 2 pages, is a block diagram depicting the retailer point of sale  
(POS) pricing, transaction and discount processing component as expanded from FIG. 2,  
Block 220.

40 FIG. 6, consisting of 2 pages, is a block diagram depicting the retailer transmission  
20 of data to the value exchange company expanded from FIG. 2, Block 240.

45 FIG. 7, on 2 pages, is a block diagram depicting the value exchange company  
receiving, consolidating and distributing the transaction data from the retailer to the  
various entities expanded from FIG. 2, Block 250.

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DETAILED DESCRIPTION OF THE EMBODIMENTS

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The present invention relates to a global value exchange system. More particularly, it relates to utilizing a computerized system in conjunction with an encoded card wherein all or a portion of the redeemed value of a manufacturers' or retailers' discount is electronically transferred to the participating card members' designated charitable organization through an automatic funds transfer means.

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In the following detailed description of the preferred embodiment, reference is made to the accompanying drawings, which form a part thereof, and in which is shown by way of illustration specific embodiments in which the invention may be practiced. These embodiments are described in sufficient detail to enable those skilled in the art to practice the invention, and it is to be understood that other embodiments may be utilized and that structural changes may be made without departing from the spirit and scope of the present invention. The following detailed description is, therefore, not to be taken in a limiting sense.

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Referring to FIG. 1, the invention is a global value exchange system for a value exchange company (160) which includes a central computer operating system (816, 163) and database storage (162, 164, 165) capable of two-way communication through an information bus (150) and web server (170). The two-way communication provides a means to send and receive charity information (100), Global CouponCard™ members'

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profiles of membership-based organizations (110), special manufacturers' promotional discount information (120), and the retail point of sale (136) (POS) transactions by Global CouponCard™ members to and from the value exchange company (160). The retail transaction information is collected from one or a plurality of computerized POS scanners (136) at the retail store's (130) checkout. The retail transaction information is transmitted from the POS (136) to the in-store computer system (138) within the retail store (130) to the value exchange company (160). Usually, but not necessarily, the transmission is

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5 through a retailer corporate computer system (142) and a value exchange communication  
server (144) both of which may be located at the retailer's corporate office (140). The  
10 information sent is collected, processed and stored in the value exchange data base  
(162). Reports of relevant information are presented to each entity in electronic, magnetic  
5 and/or traditional (such as, paper) formats (192, 194, 196, 198). Finally, funds may be  
15 transferred to and from various accounts of each entity for the goods and services  
provided by and to each entity (170). In an alternative embodiment of the invention, a pin  
pad (FIG. 1, step 135) is connected to the POS scanner (136) and allows the Global  
20 CouponCard™ to operate as either a coupon card, script card, a debit card or a credit  
10 card according to the desire of the consumer member user.

25 The central computer through which all of the information is exchanged is housed  
at the location of the value exchange company (160) with remote communications links to  
the various entities denominated above. The communications are generally over public or  
30 private networks using various communications components, which are well known in the  
15 art.

The charity organization will always be a non-for-profit organization for tax  
purposes. The membership-based organization may or may not be a not-for-profit  
35 company. A membership-based organization may denominate a particular charity to be  
the recipient of its charitable campaign drive, but, nevertheless, the end recipient of all,  
20 none or part of the purchase discount will ultimately be a not-for-profit organization. The  
40 consumer member denominates a charity and the percentage (from zero to one hundred  
percent) of the purchase discount the member desires to have donated to the charity  
chosen. In addition, manufacturers and/or retailers could have the option of sponsoring a  
45 program as well. The system is designed with flexibility in mind to provide a means for  
25 entities within the goods and services distribution chain to provide donative opportunities

5 to charitable organizations through the purchase by cardholding consumer members of the manufacturers' or retailers' goods and services.

10 Referring to FIG. 2, there is illustrated a block diagram overview showing the value exchange process flow. The value exchange company enters into agreements with  
5 manufacturers (200) to provide redemption discounts for consumers having the value exchange Global CouponCard™. The value exchange company enters into agreements  
15 with retailers (201) to provide outlets for acceptance of the Global CouponCard™. The validated charity or membership-based organization (205) assists the value exchange  
20 company to acquire card members. The value exchange company assists the charity or membership-based organization in issuing an encoded Global CouponCard™ to the  
10 participating consumer members. This is usually done by the charity or membership-based organization working with its members through a membership drive, acquisition  
25 program or other means to procure the signing-up of the member to the denominated charitable organization for the value-exchange program. The member will pre-determine  
30 which charity and what percentage, if any, of the purchase discount may go to the chosen charity.

35 As a part of the membership acquisition program, the consumer member acquires the Global CouponCard™ (210).

40 The Global CouponCard™ member purchases goods and services from a participating retail establishment, and presents the Global CouponCard™ to the retailer at the point of sale (215). To assist the member in selecting participating products, such  
45 goods may have a Global CouponCard™ logo (or other identifying mark) upon the package or displayed on the shelf. The Global CouponCard™ is read at the point of sale (220) verifying that this consumer is eligible for the additional special member discounts.

25 The point of sale (POS) displays the list price (230) and then searches for the promotional pricing within a price look-up table. The price look-up table contains within it

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the pre-established manufacturers/retailer discounts. The POS or a related application system will perform the calculations as predetermined under the agreement (205) and determine what, if any, portion of the purchase discount is allocated to the charity and what, if any, portion of the purchase discount is allocated to the member. The portion being kept in the register at the point of sale is equivalent to the charitable amount and is equal to the amount to be donated by the consumer.

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In the event the full amount of the transaction is scrip, the retailer must pay the percentage to the charity through the value exchange company. The point of sale (POS) clerk will query the cardholder as to whether or not this is to be a scrip purchase (232). If the transaction is designated a scrip transaction, the retailer will pay the required percentage to the charity through the value exchange company. At this point, the consumer has the option to scrip the full amount to charity (233).

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The retailer transmits (240) the entire member transaction information to the value exchange company (242). The transaction information is processed (243) at the value exchange company to sort scrip and coupon purchases.

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If there is a purchase associated with a denominated discount, the value exchange company computes and consolidates the discount information (250) and presents the information to the manufacturer (260). The manufacturer then pays the value exchange company's invoice (265). The proceeds are distributed by the value exchange company (270) to the charity (275) and to the retailer (280) according to the allocation percentages denominated by the consumer member (205) during the membership promotion with the charity.

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If it is a scrip transaction (244), the value exchange system consolidates and computes (245) the scrip amount. The scrip information is presented from the value exchange company to the retailer (246). The retailer pays (247) the value exchange company and the value exchange company pays the charity (248).

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FIG. 3, which is complete on two pages, is a continuation from Block 205 of FIG. 2.

10 The block diagram in FIG. 3 sets forth the process wherein a consumer becomes a Global CouponCard™ member. The value exchange company works with the charitable organization or membership-based organization and provides membership form applications (305) to the organization. The charity or membership-based organization

15 promotes the Global CouponCard™ to its members (310). The member completes the application (315) and returns it to the charity (320) wherein the charity worker verifies the completeness and accuracy of the application (325). If the application is complete, a

20 Global CouponCard™ is issued to the member (335). If the application is not complete, the application is returned to the member for completion (330). The completed application form is sent to the value exchange company (340). The value exchange company inputs

25 the card application form (345). The input operator enters the information from the application forms through a standard input device, such as for instance, a data entry terminal or scanner. The information is checked for correctness. If the information is not

30 correct (355), the input operator will make the necessary corrections to the previously entered data from the information in the card application form (360). When all the information is correct, the data is moved to a temporary card member file (365). At this

35 point, the value exchange company runs a validity test (370) on the temporary card member file. If the validity test finds no errors (375), the data is moved to the card

40 member file (390). If errors are found during the validity test, the errors will be reviewed (380). The value exchange operator will correct the errors (385). When all is correct, the data is moved to the card member file (390).

45

FIG. 4 sets out the component of the system that deals with the manufacturer. This is a continuation from Figure 2 at Block 200. The value exchange company enters

25 into a relationship with a manufacturer or manufacturers (405). The manufacturer sends the product discount information to the value exchange company (410). The value

50

5 exchange company stores the product discount data in the manufacturer's promotional file  
(415). The data is sorted for each destination by store, region, chain or any combination  
10 thereof (420). The value exchange company sends or transmits the product discount data  
to the participating retailers (422) as designated in the sorted fashion per step 420. The  
5 participating retailer verifies the data received (424). At this step, there is a query to  
15 ascertain that the retailer has received the transmission of data (426). If the answer is  
"no," the value exchange company will re-transmit product discount data to the retailer  
(428). If the answer is "yes", the store computer updates the POS systems with the new  
20 discounts (430). There are numerous ways that verification can be received. Once the  
10 store updates the POS discounts, an output display may reflect the Global CouponCard™  
discount throughout the retail outlet (431). The verification may either be received by a  
25 paper confirmation, by an electronic confirmation or by an oral confirmation of receipt. It is  
not relevant to the invention the means by which the discount data information is received  
by the retailer, but rather the fact that there is a means to verify receipt by the retailer. The  
30 discounts are activated when the consumer member uses the member Global  
15 CouponCard™ at the POS (435).

FIG. 5, which is complete on two pages, sets forth the point of sale (POS) pricing  
35 and discount component of the invention. FIG. 5 is a continuation of Block 230 of FIG. 2.  
The member's Global CouponCard™ is scanned at the point of sale (505). The POS  
20 system captures the member's identification number from the member's Global  
CouponCard™ (510). At this point, the POS will know the appropriation, if any, of the  
40 discount to be applied to charity and the portion, if any, which will be applied or subtracted  
from the consumer's total bill (515). The POS system may read the card at any point in  
45 the checkout process. For each product purchased, a product UPC code is scanned at the  
25 point of sale (520). The system queries the price lookup table (525) for the product pricing  
as found in the POS pricing file (527). Once the last item has been scanned (529), the  
50

5 POS system queries the special pricing file for each item purchased to ascertain if there  
are any applicable the Global CouponCard™ discount amounts (535). If there is a  
10 discount amount, the POS calculates the amount to be allocated for charity (540). The  
charitable donation is subtracted from the manufacturers discount (545). The discount  
5 amount is printed on the register tape and may also be displayed at the cash register  
15 (550). There is also shown the store running total for the value exchange manufacturer  
discounts and for the charitable donation amount (555). When the last item has been read  
(560), the cash register prints the value exchange discount and donation information on  
20 the member's receipt showing the amount the consumer has saved and the amount the  
10 consumer has given to charity (570).

25 In FIG. 6, the retailer transmission of data to the value exchange company is  
depicted. This is a follow-through diagram flow chart of Block 270 of FIG. 2. The point of  
sale data may be moved from the point of sale system to the main store computer at  
specified intervals (605). If applicable, the store computer sends the daily or periodic  
30 transactions to the retailer corporate computer (610). At this point, the Global  
15 CouponCard™ member transaction data is extracted (615). The Global CouponCard™  
member information is sent to the value exchange company's communication system that  
35 may be located at the retailer's corporate office (620). The Global CouponCard™ member  
information may also come directly from the store computer in certain settings (not  
40 shown). The data is prepared in a format for transmission (625). The value exchange  
company's communication system then sends the transaction to the value exchange  
system (630). The data is received at the value exchange company's system (635). The  
45 data is transmitted to the retail store file, which updates the old store file with the newly  
received information (640). The value exchange system reviews the information received  
25 to determine whether or not data has been received from all participating stores on the  
pre-determined periodic basis (645). The value exchange company's system queries  
50

whether or not all stores have successfully transmitted (650). If the transmission was not successful, the value exchange company's system will call the store having information missing to determine the status of the information (652). A report is prepared regarding the missing store or stores (654). The report is reviewed and the missing store or stores are contacted (656). If the store transmission is successful (650), the data is converted and merged into a temporary (temp) transaction database (658). The temp transaction database performs a verification process (659). If all data did not pass the verification process (660), the errors are reported (662), reviewed (664) and fixed (666) in the temp transaction database. If all data passes the verification process, the information in the temp transaction database is processed and prepared for accounting (668). The system matches the temp transaction data base information against the Global CouponCard™ member data base (670). The temp transaction data base records are merged into the main transaction data base (672) at which point the temp transaction data base is emptied (674) and readied for the next receipt of transaction information from the retail outlets.

FIG. 7, which is complete on two pages, sets forth portion of the invention where the value exchange company receives, computes, consolidates, and disseminates the discount and the rebate data from the retailer to the various entities involved. FIG. 7 is a continuation of Block 242 of FIG. 2. The transaction information is received from the participating retailer(s) (705). The transaction data is validated (710). A detailed transaction record is created for each transaction element (720). The information at step 720 is imported into the relevant transaction files (725) – the accounts payable files for each retailers and charities (727), the Global CouponCard™ member's (consumer) transaction file for each participating member (728), the manufacturer's promotion transaction file for each manufacturer (729) and the accounts receivable file for each manufacturer (730). Relevant data may be appended to the appropriate files (735). The manufacturer accounts receivable (AR) files store the manufacturer's AR information

5 (737). The retailer accounts payable (AP) file stores the retailer's AP information (739).  
The charity accounts payable (AP) file stores the charities' AP information. The  
10 summarized transaction for the member tax deduction file (740), is appended (745), sent  
and stored in the cardmember tax file (747). Accounting records are prepared for  
5 transmission to the value exchange accounting system (750). The data is sent to the  
15 accounting system (755). The manufacturer pays the invoice (760), which is verified from  
the accounting system (765). The value exchange company pays the retailer (770) and  
the charity (775) and verifies the payment through the value exchange company's  
20 accounting system (780). This may or may not be done in conjunction with a payment  
10 network (FIG. 2, at 170) to and from each entities' accounts.

Claims

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CLAIMS

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What is claimed is:

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1. A value exchange system providing a charitable donation from one or a plurality of manufacturer's discounts on designated products purchased at one or a plurality of participating retail establishments to members of membership-based organizations including:

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- a. a card issued by a value exchange company to participating members of said membership-based organization, said card having an embedded code, said code denominating said member and said charitable donation allocation;

20

- b. a list of products to which said manufacturer's discounts are to be applied;

25

- c. a computer system having a database, said database containing said list of designated products, said card member information, said charity information, said manufacturer information and said retailer information;

15

- d. at least one computerized point of sale (POS) terminal within said retail establishment, said POS terminal in communication with a store (POS) computer system, said POS terminal having a means for scanning and reading said purchased product and said card, and;

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- e. a means for sending, receiving, processing, sorting, reporting and storing said information between said charity, said member, said retailer, said manufacturer and said value exchange company.

40

2. The value exchange system as set forth in claim 1, wherein the store (POS) computer system is in communication with a retailer corporate computer system.

25

3. The value exchange system as set forth in claim 2, wherein said retailer corporate computer system is in communication with a value exchange communication server.

45

4. The value exchange system as set forth in claim 1, wherein said store (POS) computer system is in communication with said value exchange server.

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5. The value exchange system as set forth in claim 3, wherein said value exchange communication server is in communication with said value exchange company.

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6. The value exchange system as set forth in claim 4, wherein said value exchange communication server is in communication with said value exchange company.

15

5 7. The value exchange system as set forth in claim 1, said system being in communication with a payment network means.

20

8. The payment network means as set forth in claim 7, wherein funds may be transferred to and from one or a plurality of accounts of each entity – said manufacturer, said retailer, said member, said charity and said value exchange company.

25

10 9. The value exchange system as set forth in claim 1 having a key pad in communication with said POS terminal, said key pad having a means for reading said card of said member and providing a means for said member to communicate information to said POS system.

30

10. The value exchange system of claim 1, wherein said encoded card includes a barcode and said POS terminal has a means for reading said barcode.

15

11. The value exchange system of claim 1, wherein said encoded card includes a magnetic strip and said POS terminal has a means for reading said magnetic strip.

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12. The value exchange system of claim 1, wherein said encoded card includes a smart chip and said POS terminal has a means for reading said smart chip.

40

20 13. The value exchange system of claim 1, wherein said encoded card may be used as a coupon card.

45

14. The value exchange system of claim 1, wherein said encoded card may be used as a scrip card.

25

15. The value exchange system of claim 1, wherein said encoded card may be used as a debit card.

50

16. The value exchange system of claim 1, wherein said encoded card may be used as a

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5 credit card.

10 17. The value exchange system of claim 1, having a means to display said product purchase discounts to said card members.

15 18. The value exchange system of claim 1, wherein a logo of said manufacturers and said  
5 retailers offering said charitable discount to said card members may be displayed at  
15 said retail establishment.

19. The value exchange system of claim 1, wherein said logo of said manufacturers and  
20 said retailers may be displayed upon said members' card.

20 20. The value exchange system of claim 1, having an accounting means for determining  
10 the discounted amount and the allocation amount to said charity and said member.

25 21. The value exchange system of claim 1, having a display means for communicating  
25 said member's purchase amount, said rebate amount, the apportion of the discount  
amount to be given by said member to charity and the apportion of the discount  
amount to be retained by said member.

30 22. The value exchange system of claim 1, having an accounting means including a  
15 means for communicating said accounting information to said entities based upon the  
transfer of funds.

35 23. The value exchange system of claim 1, having an accounting means including a  
means for communicating said accounting information to said entities based upon a  
20 system of invoices and credits.

40 24. The value exchange system of claim 1, having a reporting means including a means  
for communication of said reports including spending, savings and contributions to  
45 charity for each of said entities.

25 25. The reporting means as set forth in claim 24, including an electronic format.

26. The reporting means as set forth in claim 24, including a magnetic tape format.

50 27. The reporting means as set forth in claim 24, including a paper format.

5

28. The value exchange system of claim 1, including a means for verifying the receipt and transmission of said charity information.

10

29. The value exchange system of claim 1, further comprising a means for verifying the receipt and transmission of said member information.

5 30. The value exchange system of claim 1, further comprising a means for verifying the receipt and transmission of said manufacturer information.

15

31. The value exchange system of claim 1, further comprising a means for verifying the receipt and transmission of said retailer information.

20

32. The value exchange system of claim 1, further comprising a means for verifying the receipt and transmission of said consumer purchase transaction information.

10

33. The value exchange system of claim 1, further comprising a means for verifying the receipt and transmission of said accounting information.

25

34. The value exchange system of claim 1, further comprising a means for verifying the transmission and receipt of funds.

30

15 35. A method for using a value exchange system to benefit charity including the steps of:

a. obtaining a central computer at a value exchange company,

b. selecting a charity,

35

c. entering charity information in said central computer,

d. establishing a member or group of members seeking a means to donate to said charity,

20

e. entering said member information in said central computer,

40

f. issuing an encoded Global CouponCard™ to said member or members,

g. identifying one or a plurality of manufacturers to participate in a discount program to benefit charity,

45

25 h. obtaining a listing of products said manufacturer or manufacturers will provide at a discount to said members,

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- 5
- i. inputting said manufacturer information and said product discount list in said central computer,
- 10 j. identifying one or a plurality of retail establishments to participate in a discount program to benefit charity,
- 5 k. inputting said retail information in said central computer,
- 15 l. identifying one or a plurality of computerized retail point of sale (POS) terminals at one or a plurality of retail establishments, said retail establishments having a store (POS) system,
- 20 m. providing said POS system with said manufacturers product discount information for said card member program,
- 10 n. ascertaining that said retail (POS) terminals have a compatible means to read the information encoded on said member's card,
- 25 o. scanning the purchased product,
- p. comparing the product purchased by the member with the list of discounted products,
- 30 15 q. obtaining the discounted amount,
- r. applying the appropriate portions of the discounted amount to savings and to charity,
- 35 s. transferring the said consumer purchase transaction information to the central computer of the value exchange company,
- 20 40 t. wherein the value exchange company processes, sorts, updates, stores, distributes and displays the appropriate information to said manufacturer, retailer, charity and member.

45 36. The method as set forth in claim 34, wherein funds are transferred to and from  
25 identified accounts of said manufacturer, retailer, charity and member.

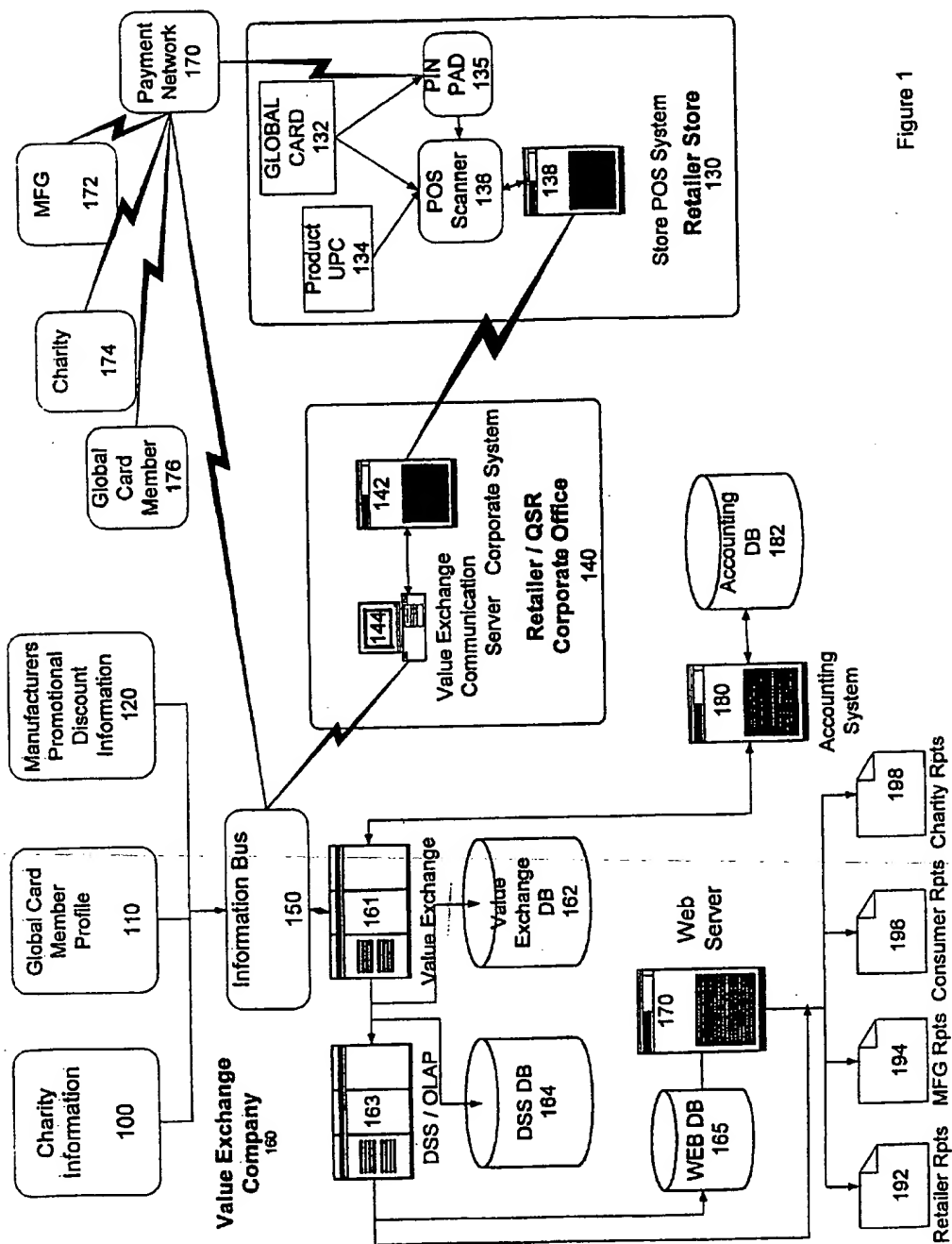


Figure 1

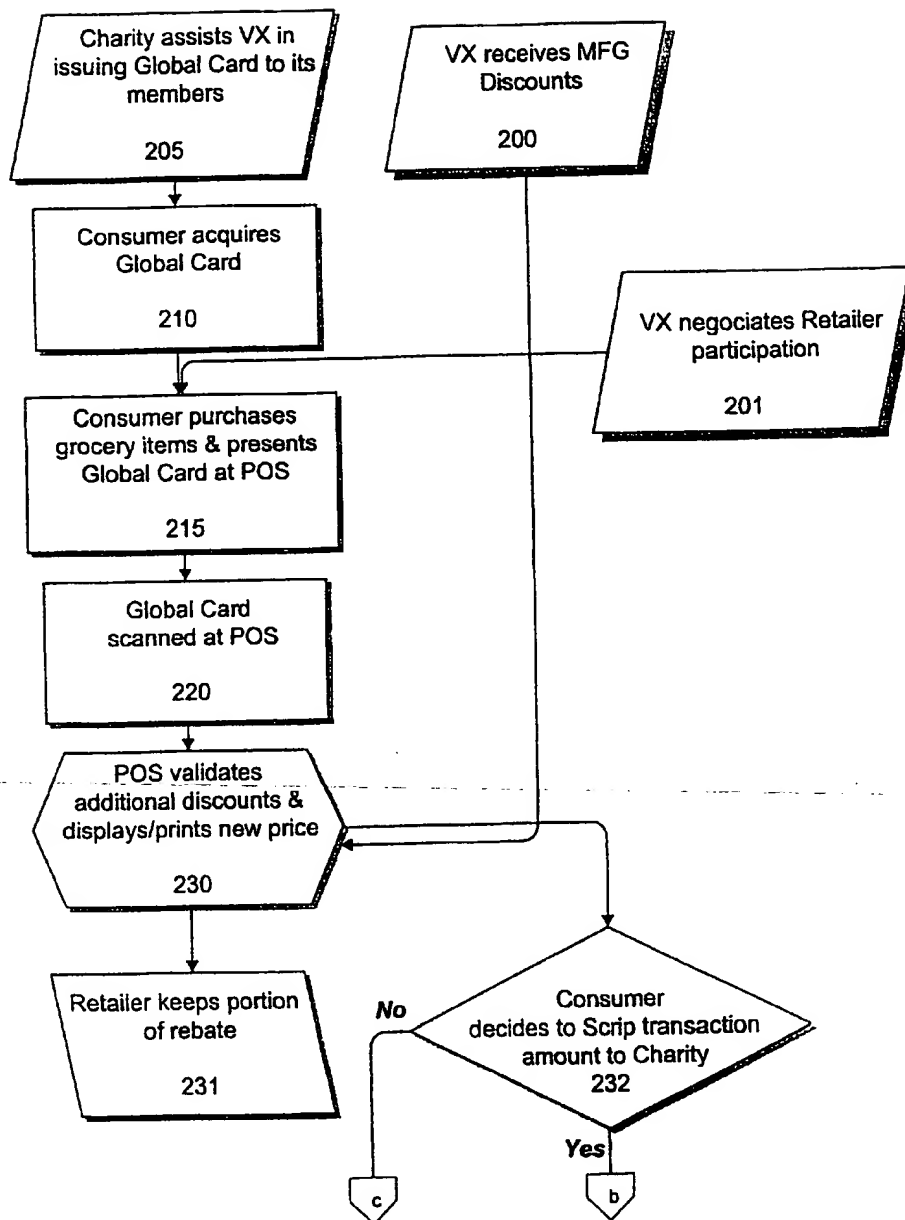


Figure 2

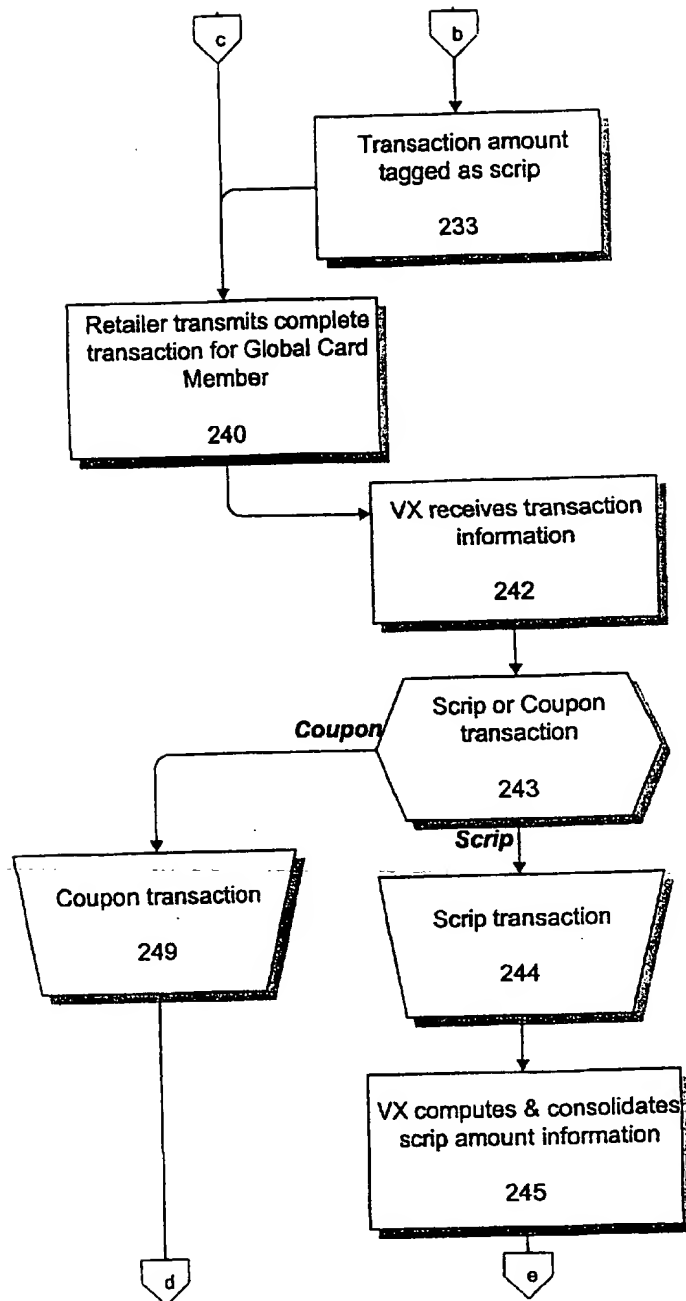


Figure 2

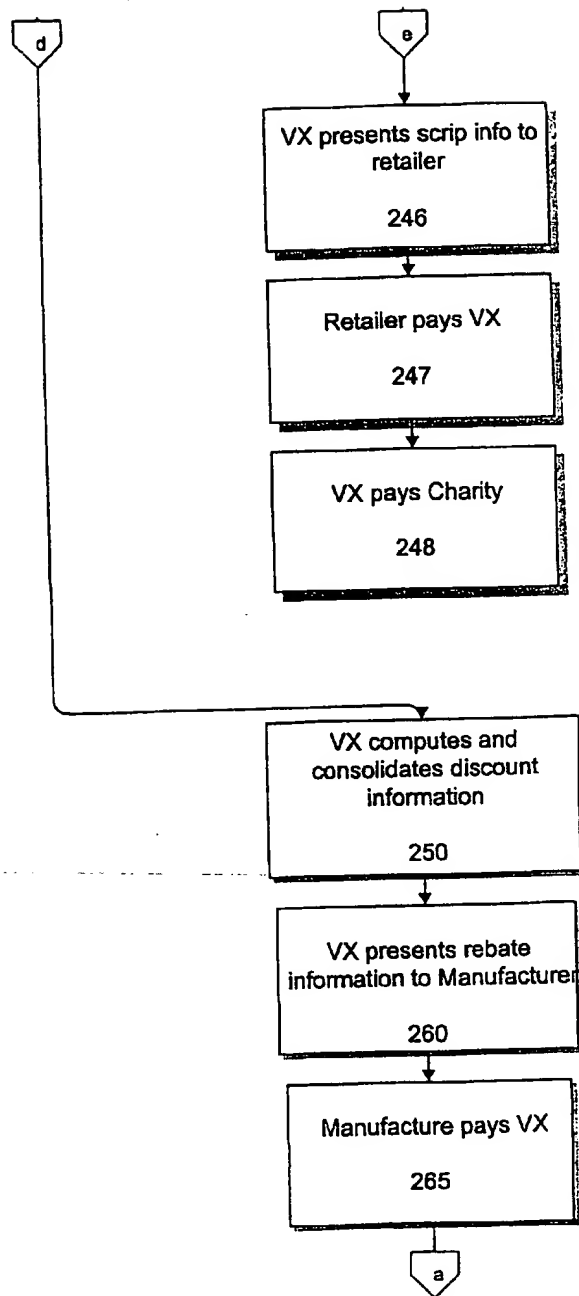


Figure 2

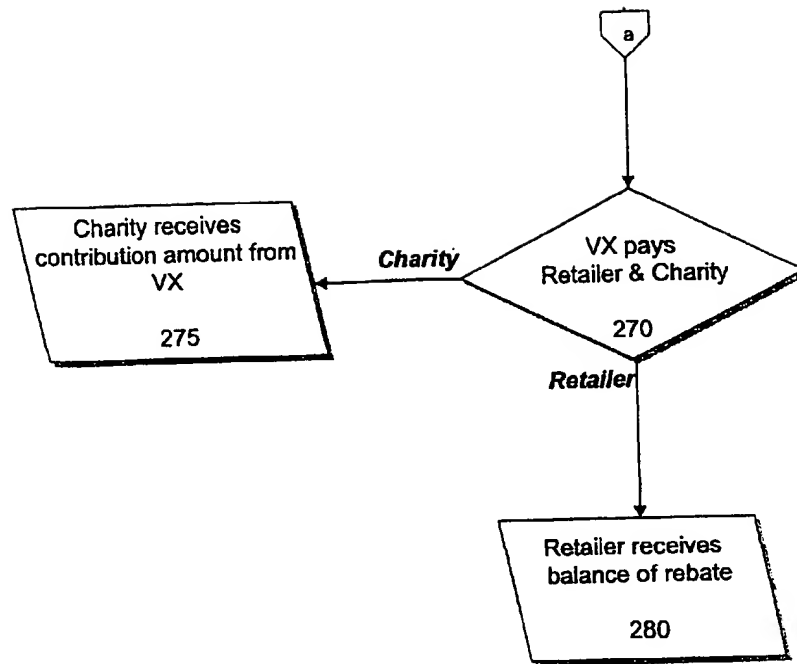


Figure 2

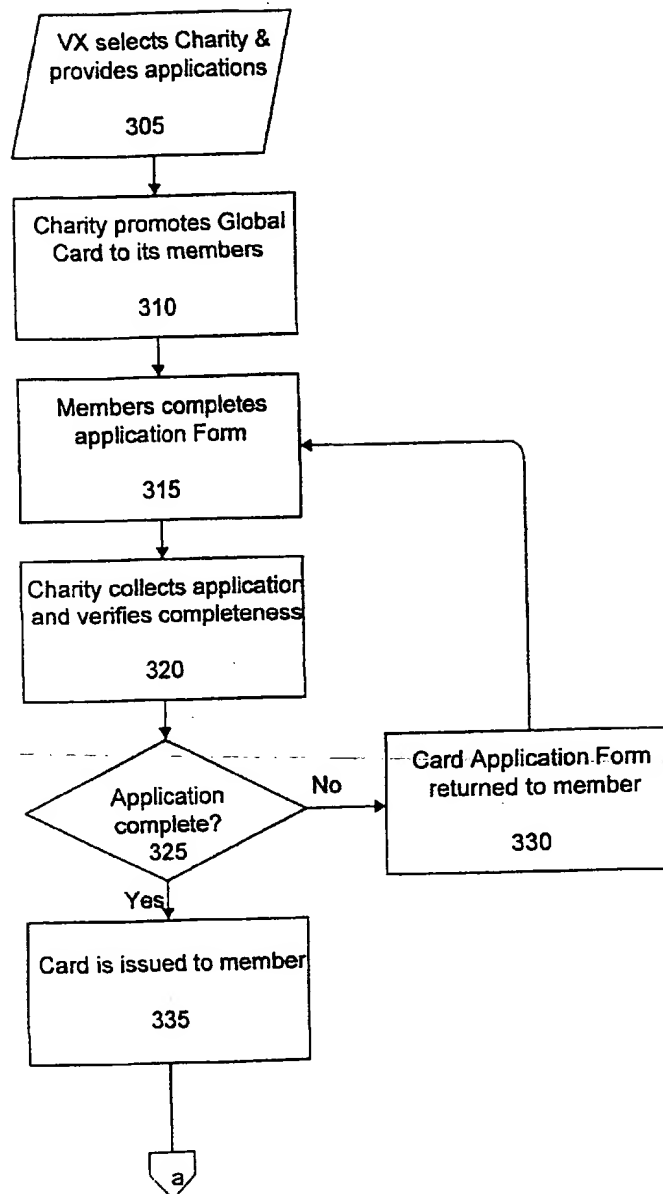


Figure 3

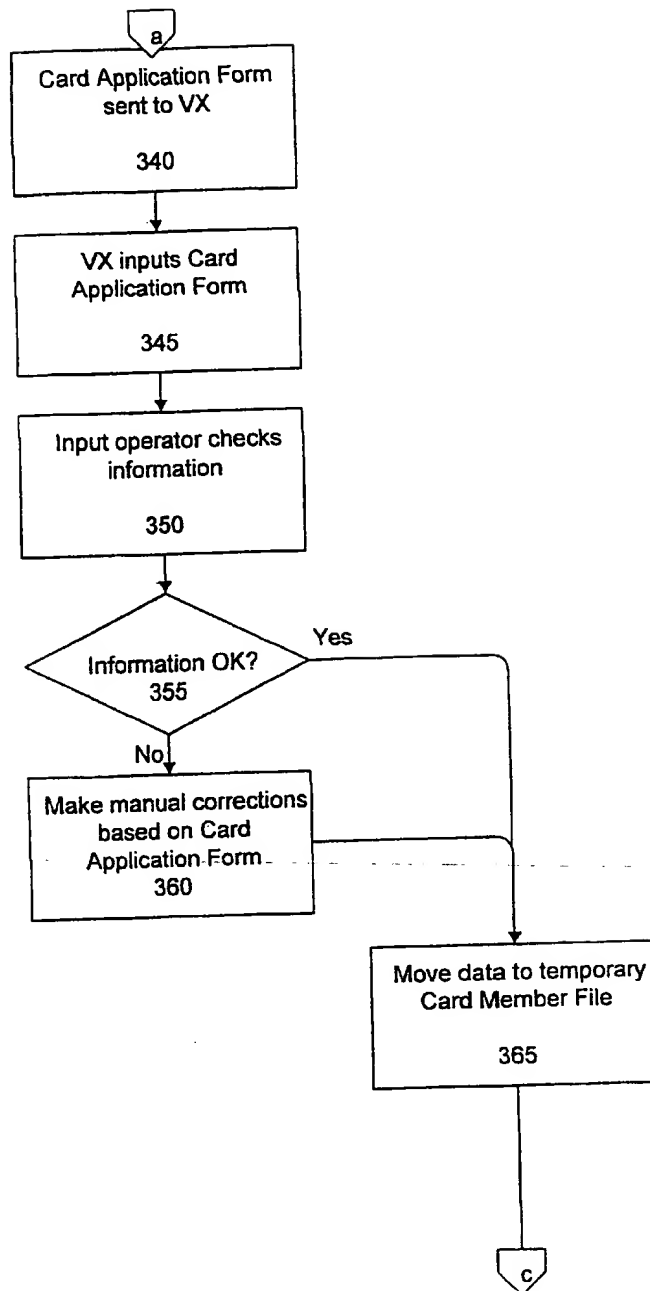


Figure 3

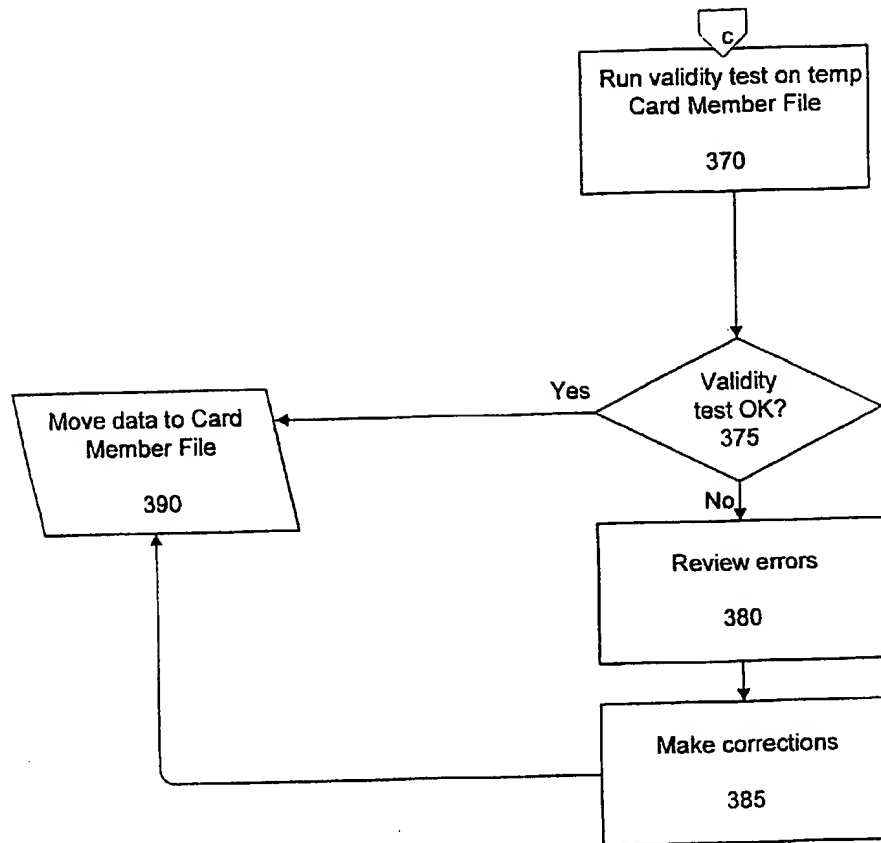


Figure 3

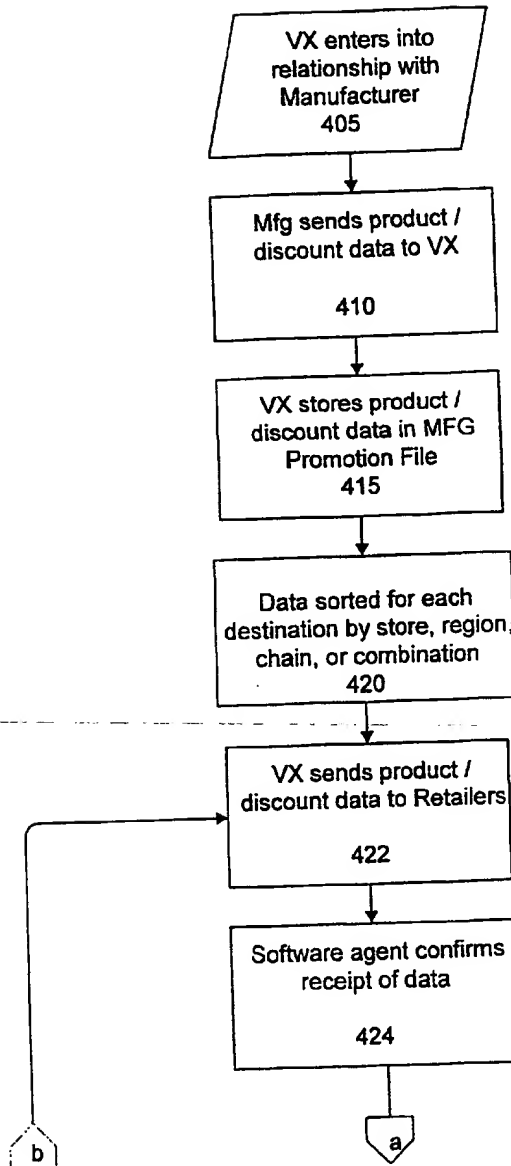


Figure 4

10/21

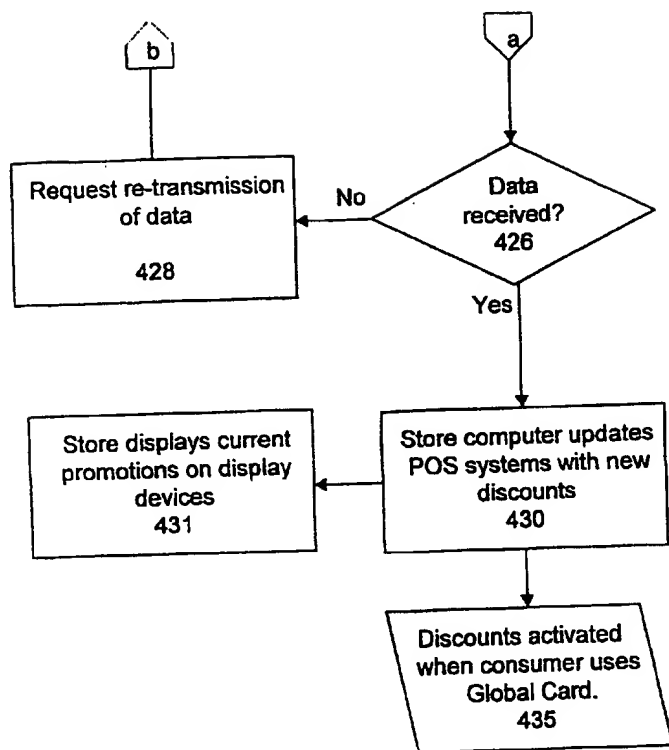


Figure 4

SUBSTITUTE SHEET (RULE 26)

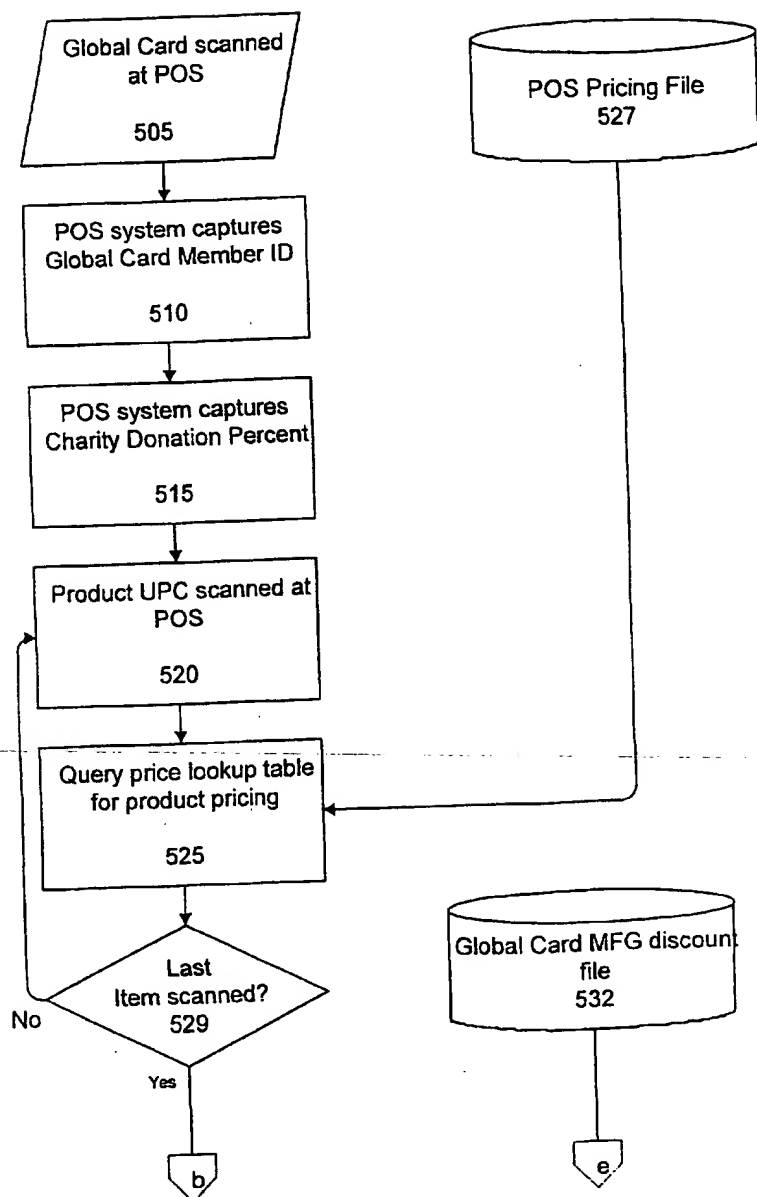


Figure 5

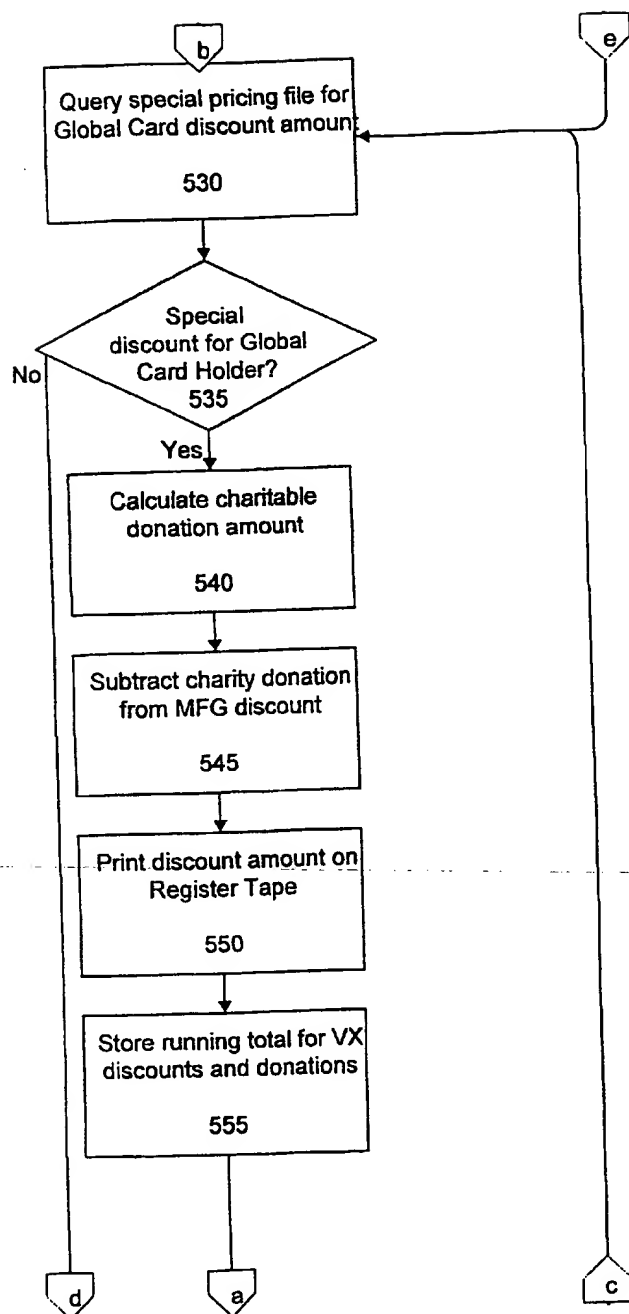


Figure 5

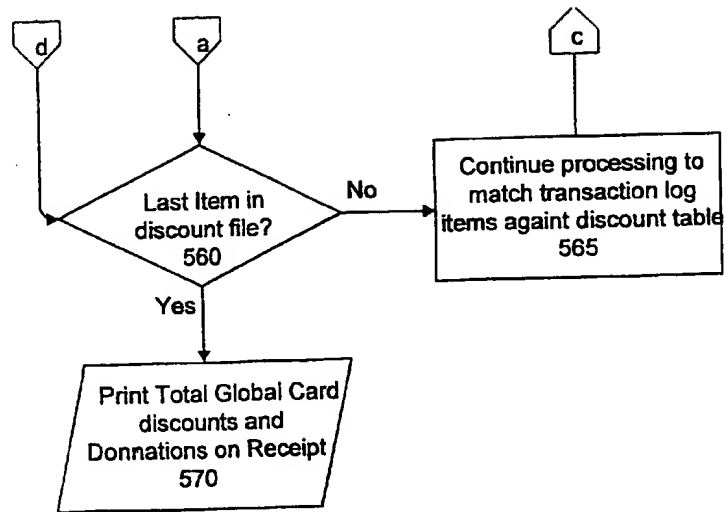


Figure 5

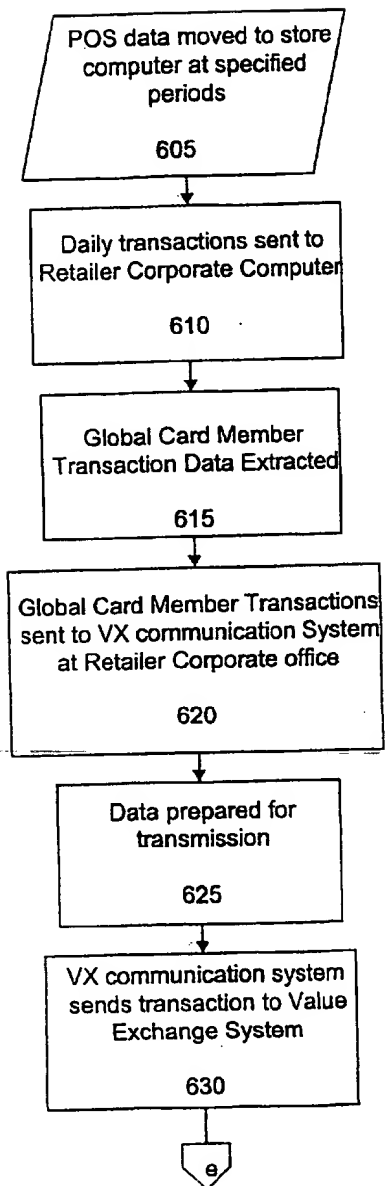


Figure 6

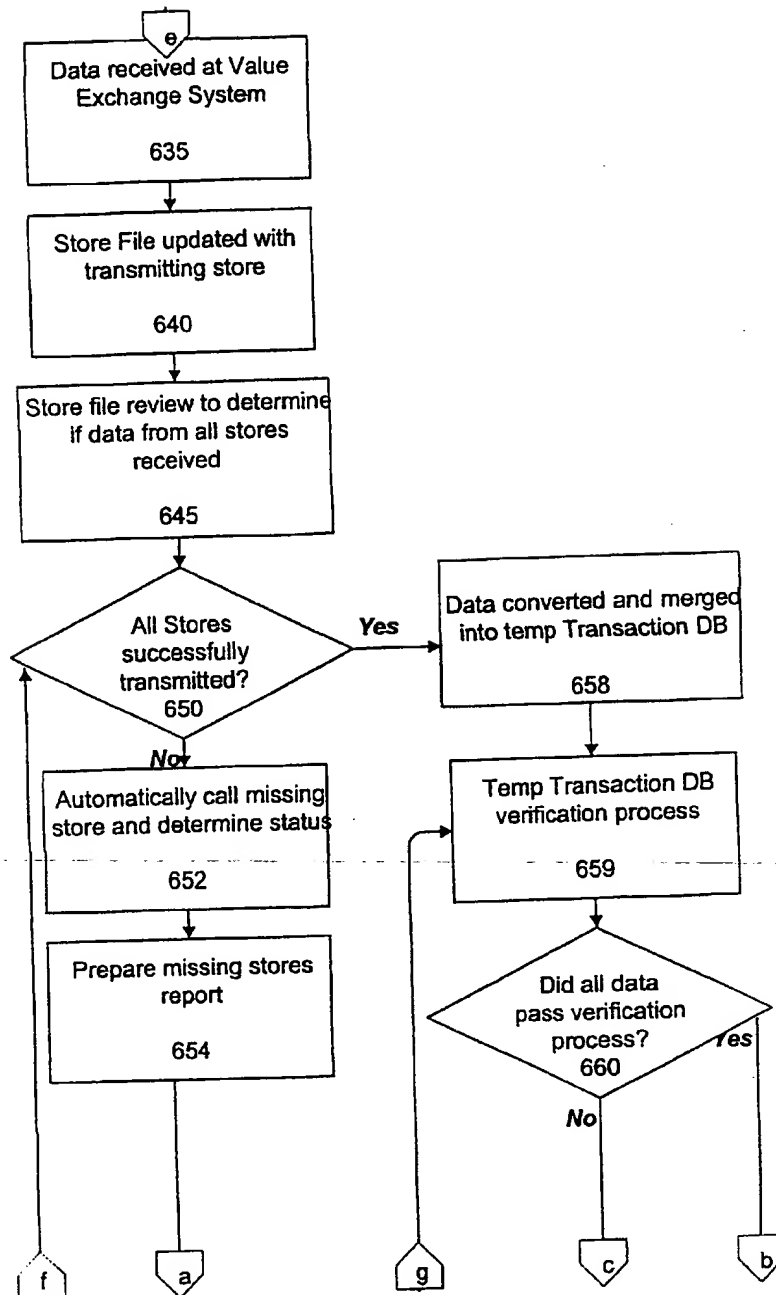


Figure 6

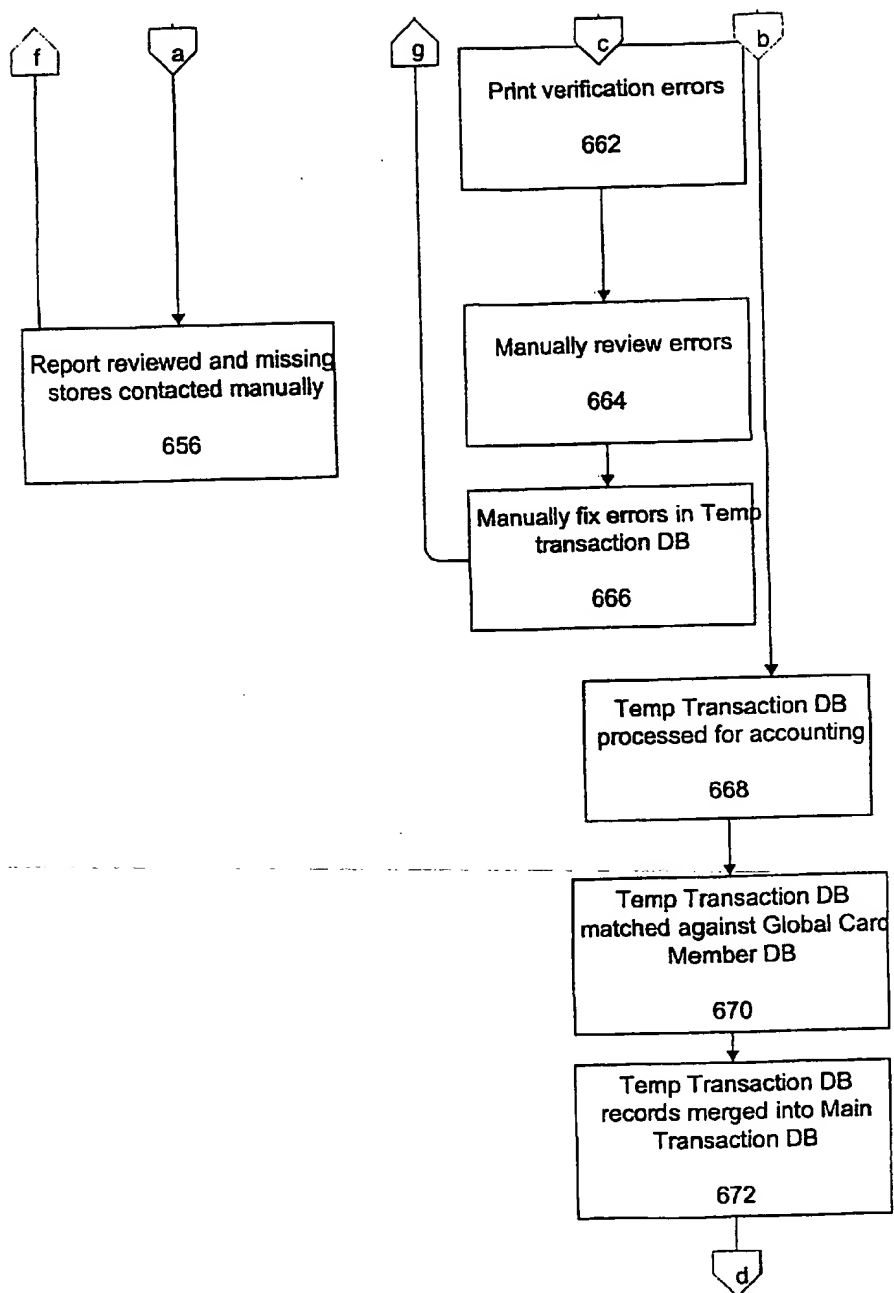


Figure 6

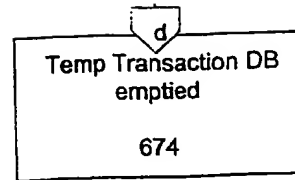


Figure 6

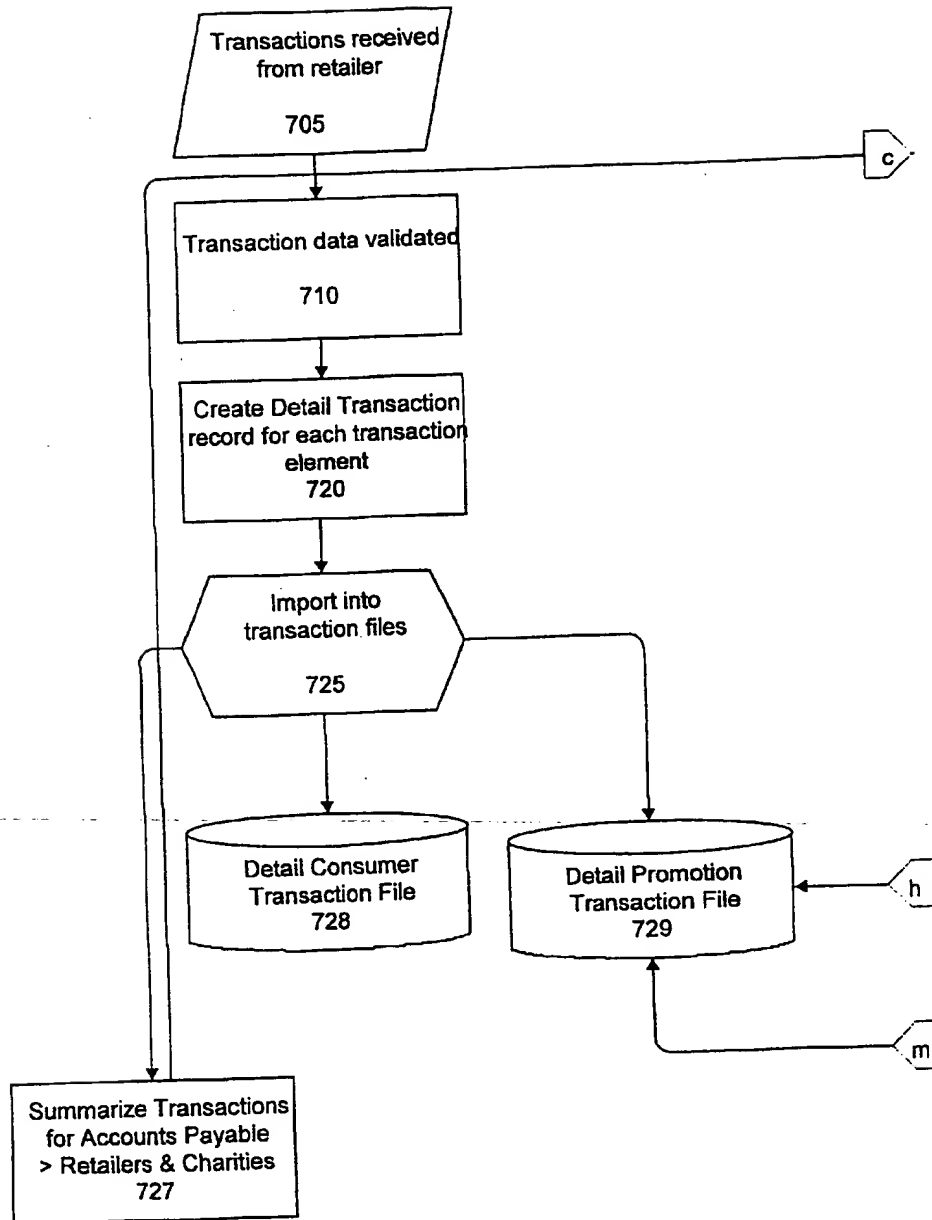


Figure 7

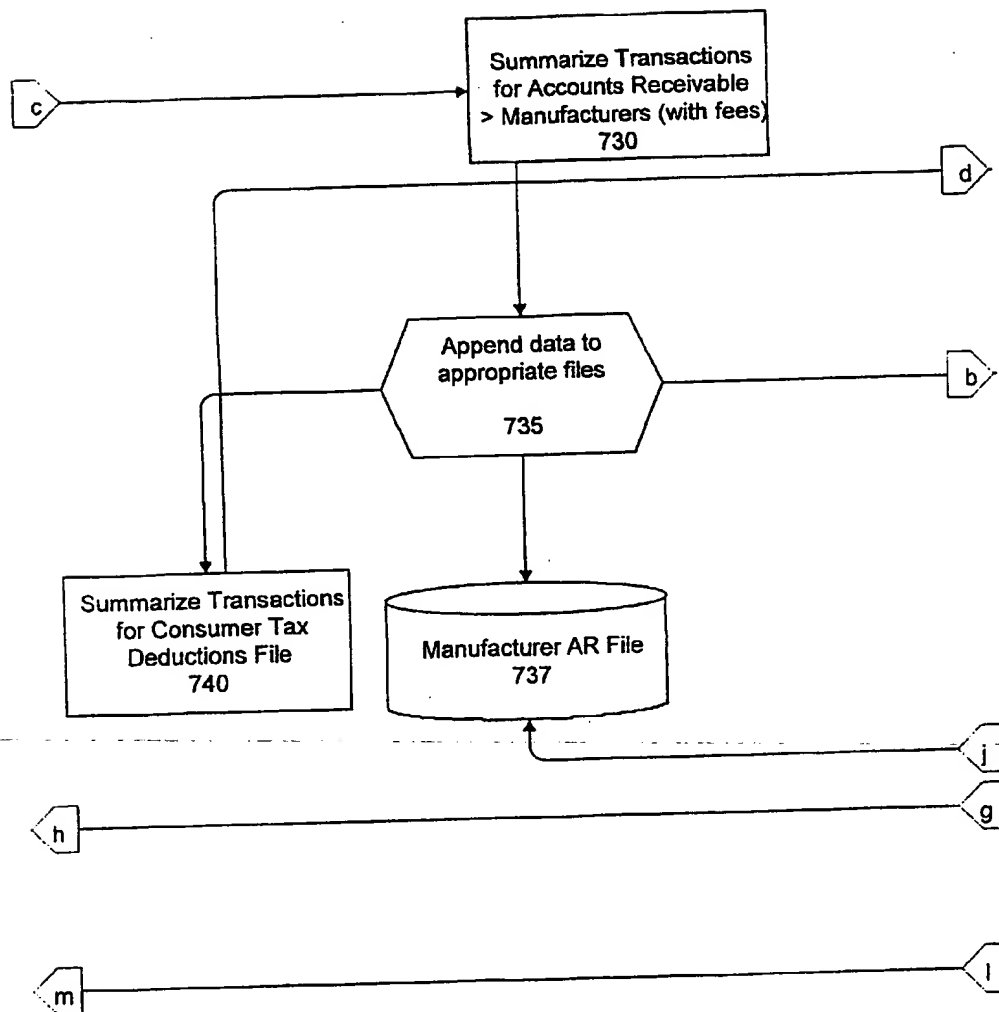


Figure 7

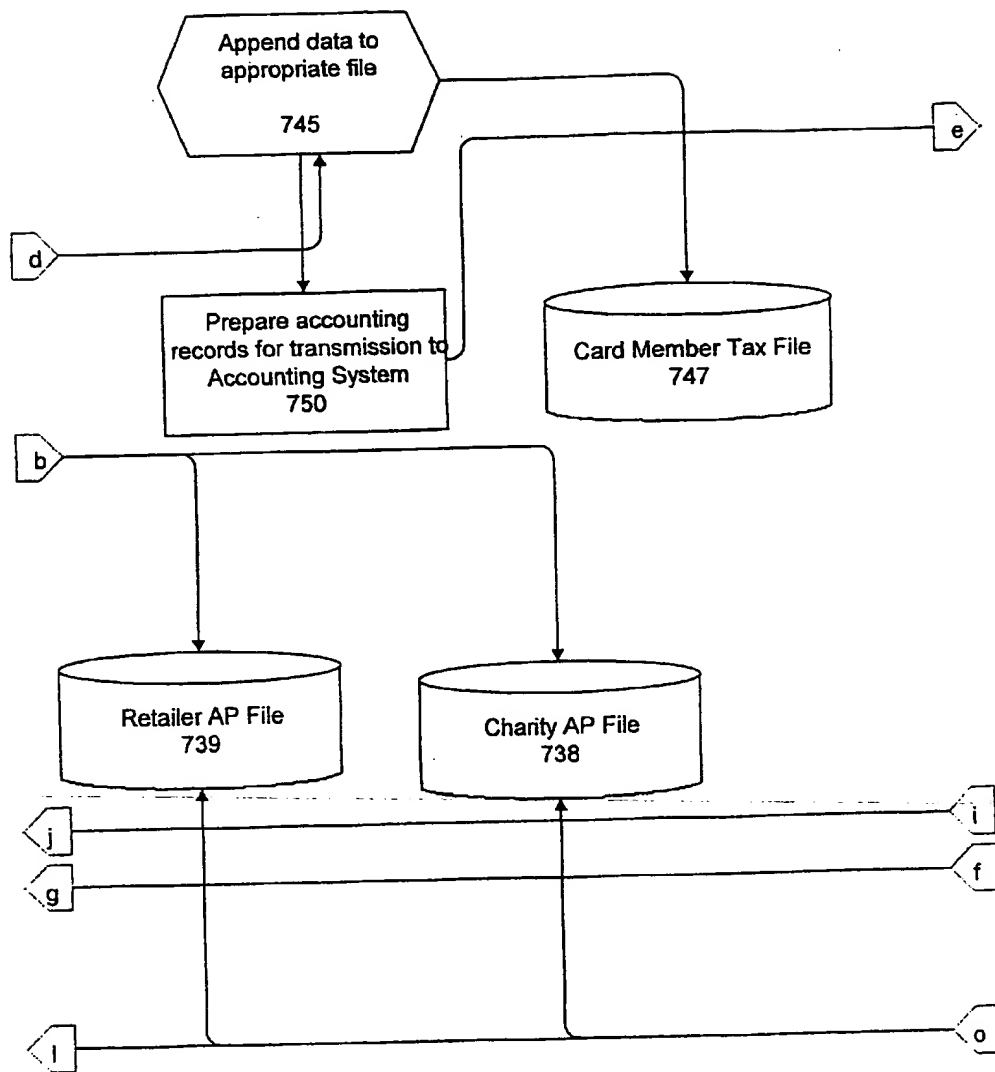


Figure 7

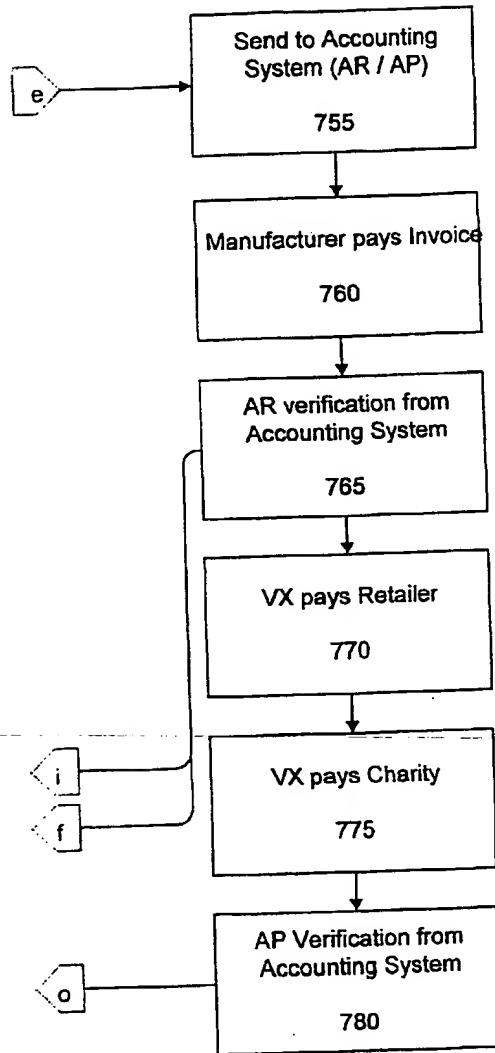


Figure 7

## INTERNATIONAL SEARCH REPORT

International application No.  
PCT/US98/21306

## A. CLASSIFICATION OF SUBJECT MATTER

IPC(6) :G06F 15/30

US CL :705/14

According to International Patent Classification (IPC) or to both national classification and IPC

## B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. : 705/14, 10, 16, 1

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

Aps, Dialog: search terms: (coupon or discount)adj card

## C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y	US 5,621,640 A (BURKE) 15 April 1997, fig. 1, fig 5, col. 2, line 5 - col. 3, line 67, col. 4, lines 43-67	1-36
A	US 5,353,218 A (DELAPA ET AL) 04 October 1994, figs. 4,5,7b, col. 4, line 34 - col. 5, line 61.	1-36
A	US 5,801,365 A (KATZ) 01 SEPTEMBER 1998, ABSTRACT, COL. 1, LINE 34 - COL. 3, LINE 34	1-36
A	COULTON, ANTOINETTE, "MASTERCARD SWINGS FOR FENCE WITH BASEBALL SPONSORSHIP" AMERICAN BANKER, JUNE 30, 1998 VOL. 163, NO. 129 PAGE 14	1,35

☒ Further documents are listed in the continuation of Box C. ☐ See patent family annex.

* Special categories of cited documents:	*T* later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
*A* document defining the general state of the art which is not considered to be of particular relevance	*X* document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
*B* earlier document published on or after the international filing date	*Y* document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
*L* document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	*Z* document member of the same patent family
*O* document referring to an oral disclosure, use, exhibition or other means	
*P* document published prior to the international filing date but later than the priority date claimed	

Date of the actual completion of the international search

31 JANUARY 1999

Date of mailing of the international search report

15 JUN 1999

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Joni Hill

## INTERNATIONAL SEARCH REPORT

International application No.  
PCT/US98/21306

## C (Continuation). DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
A	PURPURA, LINDA, "THE GREATER EQUALIZER: WHEN IT COMES TO CUSTOMER-LOYALTY PROGRAMS" SUPERMARKET NEWS, VOL. 47, N. 35, PAGE 17(2)	1,35
Y	STAHL, DAVID, "THE VODOO LOUNGE WON'T TAKE AMERICAN EXPRESS" SAVINGS & COMMUNITY BANKER, NOVEMBER 1994, V. 3, N. 11 PAGES 7(3) ESP. PAGES 7(3)	1-36
Y	TRUMFIO, GINGER "CUSTOMER LOYALTY: THE KEY TO CONTINUED SUCCESS" PHOTOGRAPHIC TRADE NEWS FEBRUARY 1994, P. 72, ESPECIALLY PAGE 72 (WHOLE DOCUMENT)	1-36
A	HALKIAS, MARIA "TOM THUMB SUPERMARKET CHAIN LAUNCHING FREQUENT-SHOPPER PLAN" DALLAS MORNING NEWS, OCTOBER 1996, P. N/A WHOLE DOCUMENT	1,35
A	BUSINESS EDITORS, "SAM'S CLUB ANNOUNCES USE OF MASTERCARD IN THREE KEY MARKETS" BUSINESS WIRE, OCTOBER 1996, WHOLE DOCUMENT	1,35
A	PUNCH, LINDA "WHO'S AFRAID OF COBRANDING" CREDIT CARD MANAGEMENT NOVEMBER 1993 PAGE 39	1,35
Y	APPEL, TED, "SMART COUPONS CUSTOMERS SAVE BIG, STORES TRACK SPENDING WITH DISCOUNT CARDS" THE PRESS DEMOCRAT, OCTOBER 1997, P. E.1, WHOLE DOCUMENT	1-36
Y	HASSELL, GREG, "HOUSTON CHRONICLE MARKETING NOTEBOOK COLUMN" HOUSTON CHRONICLE OCTOBER 1996, WHOLE DOCUMENT	1-36
A	JOHNSON, KURT, "CHOOSING THE RIGHT PROGRAM" DIRECT MARKETING, JUNE 1998, V. 61, N. 2, P. 36(4) WHOLE DOCUMENT	1,35